

COMMONWEALTH OF VIRGINIA  
DEPARTMENT OF MENTAL HEALTH, MENTAL RETARDATION  
AND SUBSTANCE ABUSE SERVICES  
P.O. Box 1797  
Richmond, Virginia 23218

Contract Award Notice

The following contract has been awarded. **Orders are required to be processed through eVA and a copy forwarded to the DMHMRSAS Office of Administrative Services at the above address.**

**CONTRACT NUMBER:** 720C-03833-04M00

**CONTRACT:** Furnish and Install Kronos Incorporated Time Management System to include Hardware, Software and Maintenance as needed and approved.

**USING FACILITY:** All DMHMRSAS Facilities as needed and approved.

**VENDOR:** Kronos Incorporated  
8850 Stanford Boulevard – Suite 2000  
Columbia, Maryland 21045  
Contact - Mr. John Mulhern (john.mulhern@kronos.com)  
Phone - (443) 393-5411  
Cell - (301) 717-0225

**CONTRACT PERIOD:** July 1, 2008 through June 30, 2009

**TERMS:** Net 30 days

**CONTRACT RENEWALS:** One (1) additional 12-month periods upon mutual agreement of both parties.

**CONTRACTOR REQUIREMENTS:**

A copy of the contract and contract price list (new price list dated 2-7-2008 to go into effect July 1, 2008) can be found at [www.dmhmrzas.virginia.gov](http://www.dmhmrzas.virginia.gov). Go to "Quick Links" and click on the Procurement link, click on the Contract Award Notices link and locate the contract.

Contact the undersigned at (804) 786-6562 or by e-mail [mike.oprysko@co.dmhmrzas.virginia.gov](mailto:mike.oprysko@co.dmhmrzas.virginia.gov) if you have any questions or wish to report any problems regarding this contract.



By: Michael J. Oprysko, CPPB, VCO  
Contract Manager  
Date - June 30, 2008



# COMMONWEALTH of VIRGINIA

DEPARTMENT OF  
MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES

JAMES S. REINHARD, M.D.  
COMMISSIONER

Post Office Box 1797  
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June 27, 2008

Mr. Quan Le, Esq.  
Kronos Incorporated – Legal Department  
297 Billerica Road  
Chelmsford, MA 01824

Dear Mr. Le:

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Re: Agreement #720C-03833-04M00

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The above referenced contract provides for two (2) additional renewals of one-year duration. The Department wishes to confirm the renewal of the above referenced contract for a period of one (1) year. This renewal will cover the period July 1, 2008 through June 30, 2009. This renewal would be based on all terms and conditions of the original Agreement dated June 29, 2004, as amended to date and shall include the following modification:

**Any reference of "Silver" level software maintenance support and coverage is no longer available and is hereby being stricken, deleted and removed from the above-referenced contract.**

**In addition, Customer acknowledges that Kronos no longer offers the Silver level software maintenance support, and the software support maintenance offered by Kronos will be at the Gold level or higher (e.g., Gold Plus, Platinum and Platinum Plus). Customer may purchase from the foregoing levels of software support the level of support that Customer deems appropriate for its needs. All references to Silver software maintenance support as set forth in this Appendix A, attached hereto, are hereby stricken, deleted and removed. Except as provided by the foregoing the terms set forth in this Appendix A shall remain in full force and effect.**

Pricing for all hardware/software and all hardware/software support services purchased under this contract and any subsequent renewal period shall be fixed pricing for a period one (1) year. Pricing discount shall be thirty (30%) percent off most current published list price (February 7, 2008) as provided by Contractor. Prices for training and other implementation-related services will be obtained on a case-by-case basis upon evaluation of individual agency resources and infrastructure.

The Contractor agrees to honor any and all pricing under this agreement for maintenance to any DMHMRSAS facility currently having a KRONOS Time and Attendance system. This shall include renewal of any maintenance agreements currently held at DMHMRSAS facilities which may terminate or become renewable during the term of this contract. Maintenance pricing for subsequent renewal periods shall not exceed the contract price(s) of the previous contract increased/decreased by no more than the percentage increase/decrease of the "Other Services" category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve (12) months for which statistics are available at the time of each renewal. The Contractor agrees that any DMHMRSAS facility maintenance pricing that has been increased by the above CPI on Kronos hardware/software/licenses currently owned by any DMHMRSAS facility and that was purchased directly through Contractor and covered under an existing maintenance agreement shall not exceed the Contractor's current published maintenance pricing. Support service options are set forth in Appendix A, attached hereto and incorporated by reference herein.

In addition, the Contracting Agency has approved the Contractor's request for increase of maintenance/support rates at time of renewal at each DMHMRSAS facility contracted with Kronos for maintenance. Maintenance contract price for the additional one year period shall not exceed the contract price(s) of the previous contract period at each facility increased/decreased by no more than the percentage increase/decrease of the "Other Services" category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve (12) months for which statistics are available at the time of each renewal.

As an authorized official of Kronos Incorporated and the Commonwealth of Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services, I herewith agree and accept the renewal of the above referenced contract in accordance with the terms and conditions herein and in full accordance with the original Agreement dated June 29, 2004, as amended to date.

**Kronos Incorporated**

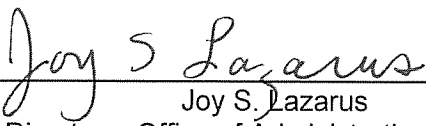
By:   
Signature

By: Alyce Moore  
Print Name  
Vice President, General Counsel

Title: \_\_\_\_\_

Date: 6/27/08

**Department of Mental Health, Mental Retardation  
And Substance Abuse Services**

By:   
Joy S. Lazarus  
Director – Office of Administrative Services

Date: 6/30/08

## Appendix A

### MAINTENANCE & SUPPORT

#### A. GENERAL

**1. Support Options:** The Commonwealth (hereinafter referred to as "Customer") may select from the following Software support purchase options: Silver, Gold (or Gold Plus), and Platinum (or Platinum Plus) support ("Service Type"), each providing different service coverage periods and/or service offerings, as specified herein ("Service Offerings") and in the Kronos Support Service Policies (see below). Customer must purchase the same Service Type for all of the Software specified on the Purchase Order (however, if Customer is purchasing support services for Visionware Software, Customer may only purchase Gold Service Type for the Visionware Software.) All services and Software upgrades, updates, and/or enhancements and legislative updates shall be provided via remote access. For support services for Equipment, Customer may select from the support options under Sections C or D below.

**2. Term of Software Support:** Support services shall commence on the delivery date for the Software and Equipment and shall continue for an initial term of one (1) year, unless otherwise documented in writing by both parties at the time of purchase.

**3. Responsibilities of Customer:** Customer agrees (a) to provide Kronos personnel with full, free and safe access to Software and Equipment for purposes of support, including use of data communication facilities, if required; (b) to maintain and operate the Software, Equipment and Spare Products (as defined below) in an environment and according to procedures which conform to Kronos' specifications; (c) not to allow support of the Software by anyone other than Kronos without prior written authorization from Kronos. (d) deinstall all failed Equipment and install all replacement Equipment in accordance with Kronos' published installation guidelines; and (e) ensure that the failed Equipment is returned to Kronos properly packaged.

**4. Kronos Support Service Policies:** Customer may access Kronos' then-current Software Support Policies (including detailed Service Descriptions) at:

<http://www.kronos.com/Support/SupportServicesPolicies.htm> ("Support Policies").

#### B. SOFTWARE SUPPORT

**1. Service Offerings Provided for all Service Types (Silver, Gold, Gold Plus, Platinum or Platinum Plus):**

Upon purchase of any service type customer shall be entitled to receive:

(a) Service Packs, Point Releases and Major Releases (including legislative updates if available) for the Software for which Customer has purchased support (not including any Software for which Kronos charges a separate license fee), provided that Customer's operating system and equipment meet minimum system configuration requirements, as reasonably determined by Kronos. If Customer requests Kronos to install such Service Packs, Point Releases and/or Major Releases (including legislative updates, if available) or to provide retraining, Customer agrees to pay Kronos for such installation or retraining at Kronos' then-current time and materials rate.

(b) Unlimited telephone access to the Kronos Global Support Center for the logging of requests for service during the Service Coverage Period.

(c) Web-based support including access to Software documentation, live online help, FAQ's, access to Kronos knowledge base, Customer forums, e-case management and e-mail support. Such offerings are subject to modification by Kronos. Current offerings can be found at [www.kronos.com/customer](http://www.kronos.com/customer).

(d) Remote diagnostic technical assistance may be utilized to resolve Software functional problems and user problems during the service coverage period.

## **2. Service Offerings Additional to Those Specified Above, Provided by Service Type:**

(a) Gold and Platinum: Technical advisories, learning quick tips, brown bag seminars, technical insider tips, SHRM e-Learning, HR Payroll Answerforce and service case studies. Such offerings are subject to modification by Kronos without notice.

(b) Gold Plus: Customers purchasing Gold support service may purchase, for an additional fee, the Gold Plus services of a dedicated, but not exclusive, Kronos technical account manager ("Technical Account Manager") to provide on-going account management support to Customer. Customer shall designate up to one primary and one secondary backup technical contact ("Technical Contacts") to be the sole contacts with the Technical Account Manager. Customer is required to place primary Technical Contacts through Kronos certification support training for the Software covered under this Agreement at Customer's expense.

(c) Platinum: A one-day per year Optimization Assessment to be performed at the Customer location where the Software is installed. During the Optimization Assessment, a Kronos application consultant shall work with Customer to identify ways to help Customer increase functionality or maximize utilization of the Software in Customer's specific environment, provided Customer's annual Software support fee is at least \$5,000 per year. Customer must be utilizing the then-current version of the Software. Travel time and expenses are not included and shall be charged to Customer at Kronos' then-current rate. Platinum customers also receive a two-hour or less response time for all calls placed to Kronos Global Support, regardless of the Priority level.

(d) Platinum Plus: Customers purchasing Platinum support services may purchase, for an additional fee, the Platinum Plus services of a dedicated, but not exclusive, Kronos Technical Account Manager. Customer shall designate up to two primary and three secondary backup Technical Contacts to be the sole contacts with the Technical Account Manager. Upon request, Customer may designate additional and/or backup Technical Contacts. Customer is required to place all primary Technical Contacts through Kronos certification support training for the software covered under this Agreement at Customer's expense.

## **C. DEPOT EXCHANGE SUPPORT SERVICE**

**1. Depot Exchange Support.** Upon the failure of an installed item of Equipment, Customer shall notify Kronos' Global Support organization at 1-800-394-4357 of such failure. Global Support will provide remote fault isolation and attempt to resolve the problem. Those failures determined by Global Support to be Equipment related shall be dispatched to the Depot Repair Center by Global Support. Hours of operation for the Depot Repair Center are Monday through Friday 8:00 A.M. to 5:00 P.M. EST, excluding Kronos holidays. Kronos will provide a replacement for the failed Equipment on an "advanced exchange" basis, utilizing a carrier of Kronos' choice. Replacement Equipment will be shipped the same day, for next business day delivery to Customer, if such request is received prior to 3:30 P.M., EST. REPLACEMENT EQUIPMENT MAY BE NEW OR RECONDITIONED. Customer shall specify the address to which the Equipment is to be shipped, and any special shipping or insurance instructions. All shipments will include a Return Shipping Label designating Kronos Depot, 300 Billerica Road, Chelmsford, Massachusetts 01824, as the recipient. Customer agrees that it shall return failed Equipment promptly as the failures occur and that it shall not hold failed Equipment and send failed Equipment to Kronos in "batches" which shall result in a longer turnaround time and surcharge to Customer.

Customer, upon receipt of the replacement Equipment from Kronos, shall package the defective Equipment in the materials provided by Kronos, with the return label supplied and make every reasonable effort to return failed equipment to Kronos within ten (10) calendar days. All returned equipment shall become the property of Kronos.

**2. Delivery.** Title to and risk of loss for the Equipment shall pass to Customer upon delivery to Customer. All shipments to Kronos shall be made "freight prepaid" using the Return Shipping Label and shipping instructions as specified by Kronos. Kronos will select the carrier to be utilized under the program.

#### **D. DEPOT REPAIR SUPPORT SERVICE.**

**1. Depot Repair Support.** Customer may purchase and retain, at Customer's location and at Customer's sole risk and expense, a sufficient number of spare products ("Spare Products") to allow customer to replace failed Equipment at all Customer locations. Upon failure of installed Equipment, Customer shall install a Spare Product to replace the failed Equipment. In addition, during the hours of 8:00 a.m. to 5:00 p.m. E.S.T., Monday through Friday, exclusive of Kronos holidays, Customer shall call Kronos Global Support Organization at 1-800-394-4357 to notify them of such failure. Global Support will provide remote fault isolation and attempt to resolve the problem. Those failures determined by Global Support to be Equipment related shall be dispatched to the Depot Repair Center by Global Support. Customer shall be provided with a Return Authorization number for the failed Equipment. Customer shall also specify the address to which the repaired Equipment should be shipped, and any special shipping or insurance instructions. Customer shall then return, at its expense and its risk of loss or damage, the failed Equipment, with the required Return Authorization Number, to the Kronos Depot, 300 Billerica Road, Chelmsford, Massachusetts 01824. Customer shall make every reasonable effort to return the failed Equipment using the same packing materials in which the original Equipment was sent. Customer agrees that it shall return failed Equipment promptly as the failures occur and that it shall not hold failed Equipment and send failed Equipment to Kronos in "batches" which shall result in a longer turnaround time and surcharge to Customer.

Upon receipt of the failed Equipment, Kronos shall repair the failed Equipment and return it, within ten (10) business days after receipt, to Customer. Unless specified otherwise by Customer at the time of Customer's call for a Return Authorization Number, Kronos shall ship the repaired Equipment by regular surface transportation to the Customer's address specified on Customer's original Purchase Order.

## Kronos Support Services at a Glance

	Software				Equipment	
Support Service	Platinum Plus	Platinum	Gold Plus	Gold	Depot Exchange	Depot Repair
<b>Plus Service Features</b>						
Technical Account Manager	•		•			
– 24 hours per day, 7 days per week	•		•			
– 8:00 a.m. – 5:00 p.m. local time (M–F)	•		•			
Proactive, Preventive Support	•		•			
Complete Issue Tracking/Management	•		•			
Site Visit	•					
<b>Phone Support</b>						
24 hours per day, 7 days per week	•	•				
Senior Specialists	•	•				
8:00 a.m. – 5:00 p.m. local time (M–F)			•	•	•	•
<b>Web-Based Expertise</b>						
SHRM e-Learning	•	•	•	•		
HR and Payroll Answerforce™	•	•	•	•		
Service Case Studies	•	•	•	•		
Technical Advisories	•	•	•	•		
Learning Quick Tips	•	•	•	•		
Technical Insider	•	•	•	•		
Brown Bag Sessions	•	•	•	•		
<b>Software Assurance</b>						
Patches	•	•	•	•		
Service Packs	•	•	•	•		
Upgrades	•	•	•	•		
Legislative Updates	•	•	•	•		
<b>Web-Based Information</b>						
Live Online Support	•	•	•	•		
Customer Forums	•	•	•	•		
Documentation	•	•	•	•		
FAQs	•	•	•	•	•	•
Knowledge Base	•	•	•	•	•	•
e-Case Management	•	•	•	•	•	•
Product Tutorials	•	•	•	•	•	•
<b>Depot Services</b>						
Exchange – Next Day					•	
Repair and Return						•

## Kronos Support Services at a Glance

### Components of Platinum Support Plan

Platinum customers have access to all service features listed below. They also have the option of upgrading to Platinum *Plus*, thereby gaining access to *Plus* service features. (See sidebar.)

**Telephone Support:** 24 x 7 x 365 access to support engineers via our toll-free telephone number (available from 8:00 a.m. – 5:00 p.m., Monday – Friday, for Gold *Plus* and Gold).

**Technical Advisories:** Technical alerts available via our self-help portal. Check in regularly to be aware of issues before they affect you.

**HR and Payroll Answerforce:** A resource on our self-help portal that provides instant, authoritative answers to all your HR- and payroll-related questions. Gain access to government compliance data, best practices, pay calculators, and more!

**SHRM e-Learning:** SHRM's online educational environment featuring HR-related mini-courses facilitated by leading industry experts, accessible via our self-help portal.

**Learning Quick Tips:** Prerecorded mini-training modules that provide advice on how to perform specific tasks pertaining to your Kronos application.

**Brown Bag Sessions:** Live virtual workshops covering a variety of hot topics.

**Service Case Studies:** Studies that provide you with an in-depth understanding of technology and how Kronos applications incorporate that technology.

**Technical Insider:** Your technology guide for best practices, procedures, and tools.

**Software Assurance:** The latest available product releases, updates, and patches, including legislative and compliance updates.

**Documentation:** Product manuals and related documentation.

**Live Online Support:** A web-based screen-sharing application enabling Kronos support engineers to remotely view your issue and help you solve problems real-time.

**Knowledge Base:** An online database that is tightly integrated with our Global Support Center's case management system. It contains thousands of answers to questions about Kronos products and is frequently updated.

**Customer Forums:** Organized by product platform and using threaded messaging, our customer forums allow you to post questions to other forum visitors or provide advice to someone else's query.

**Frequently Asked Questions:** Before consulting our Knowledge Base, consult our collection of FAQs. The content comes directly from the Knowledge Base, so you can be sure it is frequently updated.

**e-Case Management:** Track your open cases, monitor steps taken toward resolution, and provide additional information to help with problem diagnosis and resolution.

**Product Tutorials:** Learn about your Kronos applications through self-paced tutorials.

### Components of Gold Support Plan

Gold customers have access to all Platinum components except for 24 x 7 TAM access and 24 x 7 phone support. They have the option of upgrading to Gold *Plus*, thereby gaining access to *Plus* service features. (See sidebar.) Gold customers receive phone support 8:00 a.m. – 5:00 p.m., Monday – Friday, local time.

### Plus Service Features:

#### Technical Account Manager:

A seasoned service professional who will draw upon a vast knowledge of Kronos products and services to provide you with proactive, consultative expertise. For Platinum *Plus* customers, a TAM is available 24 hours per day, 7 days per week; for Gold *Plus* customers, a TAM is available from 8:00 a.m. – 5:00 p.m., Monday – Friday. Platinum *Plus* customers designate five named contacts, Gold *Plus* customers designate two named contacts. Platinum *Plus* customers also enjoy one on-site visit per year.

### Equipment Services

#### • Depot Exchange Service:

A replacement unit will be sent to you via next business day delivery. When you receive it, you send the terminal needing service to a Kronos Depot Repair Center.

#### • Depot Repair Service:

You send the terminal needing service to a Kronos Depot Repair Center. Upon receipt, Kronos will repair and return the product to you within ten business days. No replacement unit is provided.



Experts at Improving the Performance  
of People and Business™

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